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# Memorandum

**TO:** HONORABLE MAYOR AND  
CITY COUNCIL

**FROM:** Leslye Krutko  
Stephen M. Haase

**SUBJECT:** SEE BELOW

**DATE:** January 5, 2006

Approved

Date

1-9-06

## INFORMATION

**SUBJECT: FOLLOW-UP TO NOVEMBER 28, 2005 DRIVING A STRONG ECONOMY COMMITTEE DISCUSSION ON THE STATUS OF THE 2000 MAYOR'S HOUSING PRODUCTION TEAM RECOMMENDATIONS**

At the November 28, 2005 Driving a Strong Economy meeting, the Departments of Housing and Planning, Building and Code Enforcement presented a status report on the Mayor's 2000 Housing Production Team recommendations. This memorandum responds to questions that were raised during the Committee discussion.

In the Fall of 2000, the Housing Production Team (HPT), made up of community leaders, housing developers, housing advocates and environmental advocates, was created to develop specific goals, recommendations and actions to create more housing in San José. The HPT developed a report with 72 recommendations, which was adopted by the City Council in January 2001. As reported at the Committee meeting, the City has completed, or has underway, all but two of the actions recommended by the Task Force. The remaining two recommendations were deemed to be infeasible at this time.

The City has made significant progress in meeting its housing needs, and has exceeded its Regional Housing Needs Allocation (RHNA) numbers as determined by the Association of Bay Area Governments (ABAG). To date, San José has completed 101% of its 1999-2007 RHNA numbers, which ABAG set at 26,114 units. San José's allocation accounts for 45% of the total housing allocation for Santa Clara County and 11% of the nine County Bay Area region. These 26,114 units are distributed among the economic segments of the community, as depicted in Table 1.

During calendar year 2005 (through November), 1,141 new dwelling units began construction to serve Extremely Low, Very Low, Low, and Moderate Income households (see Table 1). This affordable housing consists of those dwelling units whose construction or rehabilitation was either: (a) financed, all or in part, with loans and/or tax-exempt bonds approved by the City Council and Redevelopment Agency Board, or (b) provided by developers in order to meet State-mandated inclusionary housing requirements in Redevelopment Project Areas.

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**Subject: Follow-Up to November 28, 2005 Driving a Strong Economy Committee Discussion on the Status of the 2000 Mayor's Housing Production Team Recommendations**

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Table 1  
Unit Count of Housing Produced for the  
1999-2007 Regional Housing Need Allocation (RHNA) Cycle


Affordability Categories	1999-2006 RHNA*	Units Added - By Calendar Year							Total Units Added 1999-2005
		1999	2000	2001	2002	2003	2004	2005**	
Very Low	5,337	420	560	928	849	686	277	695	4,415
Low	2,364	199	707	1,303	383	386	469	439	3,886
Moderate	7,086	68	163	46	92	271	129	7	776
Above Moderate	11,327	2,919	3,663	2,391	1,254	3,416	1,961	1,982	17,586
<b>TOTAL</b>	<b>26,114</b>	<b>3,606</b>	<b>5,093</b>	<b>4,668</b>	<b>2,578</b>	<b>4,759</b>	<b>2,836</b>	<b>3,123</b>	<b>26,663</b>

\*RHNA goals for the time period beginning January 1999 to June 2006.

\*\*Units are reported as of October 31, 2006.

The work of the Housing Production Team directly impacted these numbers. We estimate that, by implementing the recommendations, over 2,934 new affordable units and 1,100 new market-rate units are planned, are under construction, or are completed. Additionally, the capacity of the General Plan has been increased by 58,500 housing units. Attached to this memorandum is a summary of the results of the recommendations.

  
LESLYE KRUTKO  
Director of Housing

  
STEPHEN M. HAASE  
Director of Planning, Building  
and Code Enforcement

Attachment

**Summary of Results from Housing Production Team Recommendations**

<b>HPT #</b>	<b>Recommendation</b>	<b>Housing Results</b>
2	Explore other revenues for affordable housing	The City and its partners have aggressively pursued funds made available through Proposition 46. Since April 2003, the California Department of Housing and Community Development awarded the City of San José and local agencies nearly \$9 million, providing services and financing <b>106 new affordable housing units</b> . Additionally, two local nonprofit housing developers recently received San José's first allocation from the Multifamily Housing Program (MHP) for over \$23 million. These funds will be used to finance <b>253 new affordable housing units</b> .
4, 5	Set aside additional Redevelopment Funding for affordable housing	Between FY 99-00 and FY 03-04, the RDA provided \$61,609,000 million in additional funding to the Housing Department, resulting in <b>600 new units</b> affordable to extremely low-income households.
7, 8, 9, 21	Move forward specific planning efforts in Coyote Valley, Central Coyote, and South Almaden	The Coyote Valley Specific Plan (CVSP) process was initiated by the City Council in August 2002. The 20-member citizen Task Force appointed by the City Council is currently evaluating the timing and logistical requirements for different jobs/housing development scenarios based on a preferred conceptual infrastructure and land use plan for Coyote Valley. Community and stakeholder meetings will continue through 2006, discussing the various components of the specific plan. The City Council is expected to consider the CVSP in late 2006 or 2007. The plan includes <b>25,000 new housing units</b> , 5,000 of which will be affordable.  The South Almaden area is not part of the current CVSP process.
17	Utilize the RDA to assemble land	The Loft at Alameda (40 units), North San Pedro Site (400 units), Keystone Place (42 units), Park View Towers (186), and One East Julian (43 units) are all projects that demonstrate success in this area. This totals <b>711 units</b> resulting from the RDA's efforts to assemble land.
20	Inclusionary Zoning	Since the inclusionary policy was expanded to include all Strong Neighborhood Initiative areas in 2002 and increasing the requirement to 20% of all development, 668 affordable units have been completed; 306 affordable units are under construction; and 597 affordable units are in planning/permit stages. San José's inclusionary policy has resulted in a potential for over <b>1,571 new affordable housing units</b> .
23	City to take a proactive role in Brownfield Development	The City continues to seek opportunities to redevelop Brownfield sites. The Brandenburg site with at least <b>400 units</b> is an example of this.

# Attachment A

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HPT #	Recommendation	Housing Results
24, 25	Accelerate availability of publicly owned lands, especially VTA	The Housing Department aggressively seeks to purchase such properties owned by the City of San José, the Valley Transportation Authority (VTA), CalTrans, the 19 school districts in San José, the Santa Clara Valley Water District and other public agencies for housing development. As a result of this program's success, over 280 affordable rental units are completed, 89 affordable rental units are under construction, two affordable ownership units have been completed and 18 affordable ownership units are under construction - totaling over <b>380 new affordable units</b> .
37	Work with SJSU on joint projects for housing	<b>Four</b> historic homes were transferred to and are being renovated for SJSU staff and faculty housing. The Agency and City staff are continuing to work with SJSU and Spartan Foundation to create a homeownership program in addition to a second loan program, creating potential for <b>up to 20 new homeowners</b> .
38, 39, 40, 50, 51, 53	Consideration of housing opportunities in industrial lands	The Employment Lands Conversion Framework was approved by the City Council on April 6, 2004 and updated on November 15, 2005. Since that time, over <b>600 acres of industrial lands have been converted</b> . The majority of these lands were converted to housing. The staff-supported North San Jose Policy Update, Downtown Strategy Plan and Hitachi General Plan amendments accounted for 70% of these conversions. Currently there are approximately 550 acres of land in pending industrial land conversion General Plan amendments. The Evergreen Campus Industrial property comprises 320 acres of this total.
42, 43, 48, 52, 58, 67	Explore allowing higher densities on undeveloped land and intensifying current land uses	Between 2001 and 2004, the City Council approved General Plan amendments for the three phases of the Housing Opportunities Study, adding approximately <b>8,800 dwelling units to the General Plan Residential Holding Capacity</b> . The new residential land use potential included in the North San Jose Development Policy update, the Downtown Strategy Plan and the Hitachi project will occur on predominantly developed land that will be redeveloped.
45, 46, 47	Allow higher density in North San José	In June, 2005 the San Jose City Council approved an update to the North San Jose Area Development Policy intended to guide the continued development in the North San Jose area, the City's primary employment center and home to many Silicon Valley Hi-Tech companies. A key component of the update was the addition of <b>24,700 new housing units to the City's General Plan capacity</b> for the North San Jose area, including the potential conversion of 300 acres of existing industrial land to residential use. These units were added to the North San Jose area to provide housing opportunities in close proximity to existing job centers and to support their future growth. All of these new units will be located within a Redevelopment Policy Area and subject to a 20% requirement for below market rate units. The City has begun to receive development applications for new residential development consistent with the new policy.